

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials or other document or information filed with the Attorney General under this Act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, DC. One copy of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the Administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .49 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

*Furnish this exhibit for EACH foreign principal listed in an initial statement
and for EACH additional foreign principal acquired subsequently.*

1. Name and address of registrant Carmen Group Incorporated 1301 K Street, NW, Suite 800 East Washington, DC 20005	2. Registration No. 5727
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3. Name of foreign principal Bayelsa State Government (Nigeria)	4. Principal address of foreign principal Government House Yenagoa, Nigeria
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5. Indicate whether your foreign principal is one of the following:

- Foreign government
- Foreign political party
- Foreign or domestic organization: If either, check one of the following:
 - Partnership
 - Corporation
 - Association
 - Committee
 - Voluntary group
 - Other (specify): _____
- Individual-State nationality _____

6. If the foreign principal is a foreign government, state:

- a) Branch or agency represented by the registrant.
Executive Office of the Governor
- b) Name and title of official with whom registrant deals.
Foster Ogala, Special Advisor to the Governor

7. If the foreign principal is a foreign political party, state:

- a) Principal address.
- b) Name and title of official with whom registrant deals.
- c) Principal aim.

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8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

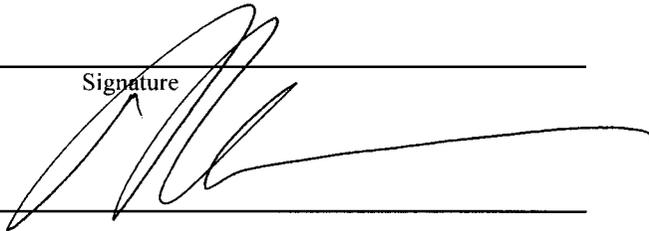
b) Is this foreign principal

Supervised by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Owned by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Directed by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Controlled by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Financed by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Subsidized in part by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input type="checkbox"/>

9. Explain fully all items answered "Yes" in Item 8(b). *(If additional space is needed, a full insert page must be used.)*

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10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

Date of Exhibit A October 20, 2006	Name and Title David M. Carmen, President & CEO	Signature 
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INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements, or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. One original and two legible photocopies of this form shall be filed for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

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Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .33 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

1. Name of Registrant Carmen Group Incorporated 1301 K Street, NW, Suite 800 East Washington, DC 20005	2. Registration No. 5727
3. Name of Foreign Principal Bayelsa State Government (Nigeria)	

Check Appropriate Boxes:

4. The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach a copy of the contract to this exhibit.
5. There is no formal written contract between the registrant and the foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach a copy of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
6. The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and expenses, if any, to be received.

7. Describe fully the nature and method of performance of the above indicated agreement or understanding.

See Section 1.01 of the attached contract.

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8. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

See Section 1.01 of the attached contract.

9. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act and in the footnote below? Yes No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

See Section 1.01 of the attached contract.

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Date of Exhibit B October 20, 2006	Name and Title David M. Carmen, President & CEO	Signature 
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Footnote: Political activity as defined in Section 1(o) of the Act means any activity which the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

training and environmental projects in Bayelsa State, e.g. CARE, Gates Foundation, and the African Development Foundation.

- Identify United States businesses who may be interested in investing in development projects in Bayelsa State in the following areas: power generation sector, agriculture sector, manufacturing sector, and in the establishment of an Export Processing Zones (Industrial Parks),
- Assist in finding U.S. speakers for the first annual United States - Niger Delta Business Development Conference in Bayelsa State in 2006.
- Work to establish a P.L. 480 commodity monetization program with the U.S. Department of Agriculture to bring rice and other commodities into Nigeria and use the proceeds to finance agricultural projects in Bayelsa.
- Establish the Bayelsa State Agricultural Education Initiative program with selected colleges and universities in the U.S. including Historic Black Colleges and Universities to train Bayelsan youths to become 21 st century farmers who can compete in the global and domestic market. Participating students are expected to begin enrolling and attending schools in January 2007.
- Identify U.S. farmers interested in managing a start up (Bayelsa would contract with the U.S. farmers) 5,000 hectare model farm and processing center (value added) for rice, cassava and other crops. This model farm is intended to provide training to 20,000 local farmers and produce commodities for the domestic market.
- Identify and introduce to Bayelsa State Government, United States of America's housing manufacturers who can finance and construct affordable housing.
- Assist in finding a U.S. firm interested in establishing a mortgage finance bank in Bayelsa State.
- Working through subcontractor B & C Associates, assist the Booksmart Foundation to make up to 1 million books available to libraries, schools, resource centers and communities (K-12) in Bayelsa State.

II. COMMUNITY DEVELOPMENT ASSESSMENT

- United States and Nigerian research staff to conduct a thorough assessment (estimated 8 to 10 weeks) of the community development needs of Bayelsa State citizens as a common basis for partnering with oil companies, the private

sector and the international donor community. The assessment will provide the government of Bayelsa State and the international community with a verified set of data and fact-based analysis that can be used to create common ground to initiate programmatic partnerships and to agree on strategic objectives.

- Provide management and supervision of all personnel in Nigeria and the United States to ensure maximum productivity and the delivery of the final report on time
- Select two Nigerian and three other internationally renowned individuals who are well known by the international donor community and the oil companies to serve as advisors for the Bayelsa State Assessment Report who can validate the findings and expand the sphere of influence for the report.
- Organize events in the United States to promote the conclusions of the assessment and provide technical support to events held in Nigeria. Events in the United States will include press conferences, meetings with senior members of Congress and Bush Administration officials, meetings with oil company executives, the African Development Bank and the World Bank to discuss the findings and recommendations of the Bayelsa State Assessment Report.
- Organize opportunities for the Governor to present the findings and recommendations of the Assessment to U.S. think tanks and prominent associations, such as the Brookings Institute, Heritage Foundations, CSIS and the Council on Foreign Relations.
- Work to arrange media coverage of the Bayelsa Assessment Report in the United States to include interviews on prominent radio and television programs that are received in Nigeria (e.g., CNN, BBC).
 - Coordinate the work and products of the Bayelsa State Assessment Report with the Bayelsa Partnership Initiative (BPI) that has been designated as the independent coordinating vehicle for the state's sustainable development activities. The assessment will be designed and implemented so that the results and recommendations can be integrated into the ongoing programs and activities of the BPI. Several leaders of the BPI will be invited into the assessment process to ensure cooperation and continuity.

Section 1.02: Project Management. Michael Lempres, Managing Director of Carmen Group's International Practice, will manage the Carmen Group services being provided to Client. In doing so, he will task and oversee other members of the Carmen Group professional staff, including Constance Newman and Charles Williams. Client acknowledges that Carmen Group will be subcontracting portions of the services described in Section 1.01 to **B & C Associates, Inc.** and others. Client consents to such subcontracting.

ARTICLE II. TERM AND PROFESSIONAL FEES

Section 2.01 Duration. This Agreement shall be effective from October 11, 2006 and shall continue until October 10, 2007 (the "Term").

Section 2.02 Fees. Carmen Group's fees for the Representation and Assessment aspects of the Scope of Work are as follows:

REPRESENTATION PORTION

A. **Representation:** Carmen Group has estimated that its effort to provide the Representation services set forth in Paragraph I of Section 1.01, measured by the hourly rates of its staff providing the service set forth in Section 2.03, will be **approximately Four Hundred Eighty Thousand Dollars (\$480,000.00)** over the annual term of the Agreement. As such, Client agrees to pay Carmen Group a **flat monthly fee of Forty Thousand Dollars (\$40,000) each month during the Term.** **The first six months of this representation fee Two Hundred and Forty Thousand Dollars (\$240,000.00) is due in advance upon execution of this Agreement.** The fee for the second six months will be due on or before March 15, 2007, upon receipt of an invoice. In order to ensure an equitable allocation of effort for the Representation services, Carmen Group will track the hours worked by its staff and reconcile it against the fee allocated for Representation services. Carmen Group will communicate regularly with Client regarding this reconciliation. If it becomes apparent to Carmen Group that some or all of the items in the Representation scope of work are requiring substantially more effort than originally forecast, Carmen Group and Client will endeavor to adjust the level of effort, the fee, or some combination of the two. At no point shall Carmen Group be required to perform any representation work (measured on an hourly basis) for which it has not been paid.

ASSESSMENT

B. **Assessment:** For performing the assessment described in Paragraph II of Section 1.01, Client agrees to pay Carmen Group a fee, inclusive of expenses, of **One Million Five Hundred and Twenty Nine Thousand, Five Hundred and Sixty Dollars (\$1,529,560.00).** Forty percent (40%) of this fee (**\$611,824.00**) shall be payable in advance upon execution of this Agreement and **another thirty percent (30%) (\$458,868.00)** will be due and payable five weeks after the execution of the contract, **upon delivery of the preliminary assessment report,** Twenty percent of this fee (**\$305,912.00**) shall be payable upon delivery of the final report, and the remaining Ten Percent **balance (\$152,956)** shall be paid to the Client within three weeks of the delivery of the final report.

Section 2.03 Hourly Rates: For services outside of the assessment scope, Carmen Group will charge Client fees based on the hourly rates of its personnel providing service, multiplied by the number of hours provided. Time is recorded in increments of thirty (30) minutes. The minimum amount of time billed for any assignment is thirty (30) minutes. Carmen Group's published hourly rates range between Seventy Five Dollars (\$75) for junior personnel and Nine Hundred Thirty Five Dollars (\$935) for the most senior. Carmen Group reviews its hourly labor rates at least annually and reserves the right to adjust these rates at any time to reflect changes in, among other things, Carmen Group's business structure and market conditions generally applicable in the United States of America's labour market.

ARTICLE III: EXPENSES

Section 3.01 Expenses. For services related to the assessment, Carmen Group's expenses are included in the fees. Extraordinary assessment expenses that are incurred due to conditions beyond Carmen Group's control will be passed on to the Client for payment or reimbursement as the case may be. For services related to representation, in addition to the fees set forth in Article II, Client will be responsible for expenses incurred by Carmen Group in fulfilling the contract services. Such expenses include postage, courier deliveries, telephone calls, fax usage, overnight deliveries, photocopying, document design and production, local transportation and Client-authorized travel. Travel by Carmen Group employees and agents will be at Client's request and will be economy class for domestic flights that are four (4) hours or less in duration and business class for flights exceeding four (4) hours duration and for all international flights. Hotel accommodations will be at the same level that Client provides to its high officials. Carmen Group will seek Client's permission prior to incurring individual expense items that exceed \$5,000. Carmen Group reserves the right to bill Client in advance for any expenses it deems extraordinary, including without limitation, foreign travel and accommodations. In addition to the payments set forth in Section 2.02, upon execution of this Agreement, Client shall deposit with Carmen Group, **an expense prepayment of Fifteen Thousand Dollars (\$15,000.00)**. Carmen Group will reconcile expenses charged against this prepayment of expenses and inform Client of the amount of the unused portion of the prepayment provided that the Client is satisfied that the expenses are reasonable incurred. Not later than each of December 15, 2006, March 15, 2007 and June 15, 2007, Client will disburse funds to Carmen Group equal to the difference between the unused portion of the prepayment and Fifteen Thousand Dollars (\$15,000.00). **The intent of this provision is that Client begins each new quarter of this Agreement with a replenished pre-paid expense deposit of Fifteen Thousand Dollars (\$15,000)**. Upon expiration of this Agreement and a reasonable time for pending expense charges to arrive and be discharged by Carmen Group, the balance of Client's remaining expense prepayment will be returned to it. **Carmen Group agrees with Client that the total sum of money payable shall not exceed \$30,000.00 (Thirty Thousand US dollars) for two quarters of the contract term.**

Handwritten signature and initials in the bottom right corner of the page.

ARTICLE IV: PAYMENTS, LATE FEES AND COLLECTION

Section 4.01 Payments. Client shall make all payments required by this Agreement via wire transfer using the wire instructions set forth below:

Wire Instructions

Fidelity & Trust Bank
4831 Cordell Avenue
Bethesda, Maryland 20814
ABA # 055003405
Credit Account #1 0001402

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Section 4.02. Late Fees. All invoices are due and owing upon receipt. Balances more than 45 days late will be assessed interest at the rate of one and one half percent (1.5%) per month or the maximum legal rate, whichever is less.

Section 4.03. Cost of Collection. In the event that Carmen Group has to collect any past-due sums owed under this Agreement, Client shall be responsible for all costs and expenses associated with such collection efforts, including reasonable attorneys' fees, regardless of whether suit is actually filed.

Section 4.04 Application of Funds in the Event of Default. In the event Client defaults on any of its payment obligations herein and fails to cure such default after (1) notice from Carmen Group (which notice can be sent via email) and (2) expiration of a period of seven days thereafter without proper cure of the default, Carmen Group may apply any funds of Client that it has in its possession, including expense or representation fee prepayments, to cure Client's payment default.

ARTICLE V: CONFIDENTIALITY

Section 5.01. Confidentiality. Client shall keep all matters between the parties, including the provisions of this Agreement and any Carmen Group methods, trade secrets or proprietary information, confidential and shall not transfer, communicate, or deliver any such information to a third party, whether or not for compensation, without the express prior authorization of Carmen Group, **except as required by the Laws of Nigeria.**

ARTICLE VI: MISCELLANEOUS

Section 6.01. Applicable Law. This agreement shall be governed and construed as follows:

A. With respect to: (1) the Representation services performed by Carmen Group set forth in Section 1.01(1), (2) for all other services not described in subsection B below, and (3) any collection action or claim of breach of the payment terms of this Agreement; by the Laws of the District of Columbia as such laws are applied to agreements between District of Columbia residents entered into and performed entirely in the District of Columbia. Accordingly the exclusive venue for the determination of any claim, controversy, or dispute which arises between the parties in relation to the execution or performance of the obligations set forth in in parentheses 1 through 3 above, shall be the Superior Court of the District of Columbia and

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the parties hereby consent to the jurisdiction of such court and waive any objection to such venue.

B. It is anticipated that portions of the sustainable community development assessment will be performed by citizens of Nigeria. Claims by these Nigerian citizens arising from services rendered and performed exclusively within Nigeria shall be governed by the Laws of the Bayelsa State of the Federal Republic of Nigeria. The High Court of Bayelsa State and Federal High Court shall have exclusive jurisdiction to entertain and determine all such claims and actions. Carmen Group shall use its best efforts to ensure that all Nigerian citizens performing such work consent to the jurisdiction of such court and waive any objection to such venue.

Section 6.02: Federal Lobbying Registration and Foreign Agent Registration Act.

The Federal Lobbying Disclosure Act, as amended, and any applicable state or local statute, may require Carmen Group to file and maintain registration and activity reports regarding its lobbyists, lobbying activity, and lobbying income earned, pursuant to this Agreement. Client acknowledges that, where Carmen Group, in its sole discretion, deems disclosure necessary, it will disclose Client as a recipient of Carmen Group lobbying efforts. If it deems them applicable, Carmen Group will comply with the Foreign Agents Registration Act (FARA) and any other federal statute or regulation. Client understands and acknowledges that such compliance may require public disclosure of this Agreement and Carmen Group's activities on Client's behalf.

Section 6.03: Interests of the United States Government.

At no time in its performance of this Agreement shall Carmen Group be required to undertake any action deemed to be against the interest of the United States government or in contravention of the Foreign Corrupt Practices Act or any other U.S. or international law.

Section 6.04: Entire Agreement.

This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof and supersedes any prior or contemporaneous representation, proposal, warranty, understanding, or agreement, written or oral, regarding such subject matter.

Section 6.05: No Partnership, Joint Venture, or Employment Relationship.

This Agreement shall not be deemed to create any partnership, joint venture or enterprise, or employment relationship between the parties. The parties understand and agree that Carmen Group is acting as an independent contractor in providing services pursuant to this Agreement, and that Carmen Group shall pay, to the extent required by law, all applicable taxes and other obligations that result from providing services pursuant to this agreement.

Section 6.06: Assignment.

Client may not assign this Agreement, in whole or part, nor may it delegate its duties hereunder without the written consent of Carmen Group.

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Section 6.07: Amendment and Waiver.

This Agreement may be amended or modified only upon the written consent of the authorized representatives of Carmen Group and Client. The obligations of Carmen Group and Client under this Agreement may only be waived by written consent of the party waiving its rights or obligations.

Section 6.08: Successors and Assigns

Except as otherwise expressly provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of Clients.

Section 6.09: Executors in Counterparts.

This Agreement may be executed in one or more counterparts but all of which together shall constitute one instrument.

Section 6.10: Renewal

The Representation portion of this agreement (Section 1.01.1) may be reviewed and renewed on an annual basis, provided both parties consider such renewal necessary by written consent.

In Witness Whereof, the authorized representatives of the parties have executed this Agreement as of the date first set above written.

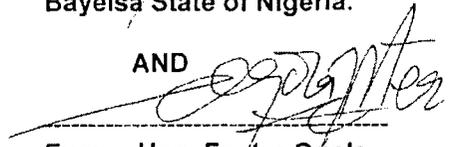
**THIS AGREEMENT IS SIGNED AND EXECUTED by
STATE OF BAYELSA (THE CLIENT)**



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STATE OF BAYELSA


Dr Goodknows B. Igali
Secretary to the State Government
Bayelsa State of Nigeria.

AND


Evang. Hon. Foster Ogola
Special Adviser to the Governor
on Investments & Economic Dev.

In the presence of

Name of Witness BARISTAR F.B. OLUOJUN

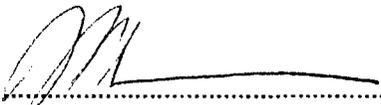
Address GOVERNMENT OFFICE, YENAGOA, BAYELSA STATE

Occupation LEGAL PRACTITIONER AND SPECIAL ADVISER TO THE GOVERNOR OF LEGAL MATTERS.

Date 11TH OCTOBER, 2006

THE COMMON SEAL OF
CARMEN GROUP INCORPORATED
is affixed to this AGREEMENT on this 11th
day of October 2006

in the presence of


David M. Carmen
President & Chief Executive Officer.

&

Michael Russell
NAME OF SECRETARY OF CARMEN GROUP


SIGNATURE

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